

## **TOWN OF NATICK GOLF FACILITY STUDY**

The Town of Natick, acting through its then Town Administrator, commissioned the services of Golf Resources Associates to conduct a Golf Facility Study for a Nine Hole executive length public golf facility to be developed on the landfill site and adjacent land in the Town of Sherborn.

A second followup study was conducted by John LaPoint Golf Facilities Consultant dated August 31, 2001. It should be noted John LaPoint was the original Senior Consultant for Golf Resource Associates (GRA).

In March of 1996, GRA submitted the Golf Facility Study to the Town of Natick. The study is based upon what is known as a Golf Market Evaluation i.e.: an evaluation of the probable public golf market potential within the golf facility's site-specific market area.

In the case of the Natick facility, GRA defined the market area to be within a five mile radius of the proposed development, those most likely to participate in golf.

GRA further notes that the defined market area contained approximately 398,000 residents (not golf participants).

GRA further notes that the typical golf participant lives within approximately 10 miles or a 17 minute drive of the golf facility he most often plays.

Within the market area Natick, GRA identified twenty previously established golf courses, all drawing from the same market area.

Six courses within close proximity to Natick were indicated to have estimated number of rounds in excess of 40,000 rounds except one with 35,000.

Given that the total number of residents was 398,000, one has to question how can all these courses draw 10% of the resident population.

Each study concluded that the Natick course could accommodate up to 30,000 rounds in year one, growing to 35,000 in year four.

The key word here is accommodate, not actual rounds which will be played.

Much of the GRA and LaPoint studies relied on golf participation studies market area populations, age groups and studies from 12 years and up and potential rounds that could be played, not actual rounds.

A copy of LaPoint's August 31, 2001 study "Executive Summary" has been included with first year projections highlighted.

Sassamon Trace fell substantially short of year one projections, and year two based upon actual rounds to date, as well as revenues.

Based upon a review of paid invoices, the total fees expended for these services was as follows:

Golf Research Associates	\$ 9,574.00
John LaPoint	<u>\$ 5,570.00</u>
TOTAL	\$15,144.00

Key points in the Executive Summary are as follows:

1. Year One - The course is likely to accommodate 29,750 rounds of play.

Actual Rounds Played - 19,420

The Golf Course Oversight Committee at a Board of Selectmen's meeting July 22, 2002 noted that the projections made by Mr. LaPointe were overly optimistic.

At the September 23, 2003 Board of Selectmen's meeting during the Golf Course Oversight Committee presentation, Mr. Peter Meagher, the golf pro for the course, advised the Board he saw the original golf consultant feasibility study. The projection for year one was almost 29,000 rounds and he (Mr. Meagher) was forecasting 19,000. He also thought the saturation point would be about 30,000.

The LaPointe Executive Summary notes that in year four, 35,000 rounds.

2. Year Four - The course is likely to accommodate 35,000 rounds.

Given Mr. Meagher's experience as a golf pro and his opinion, it is unlikely the 35,000 rounds will be achieved.

3. Mr. LaPointe's estimates are based upon an implementation of an **aggressive marketing strategy**.

The Golf Course Oversight Committee and Sterling Management have implemented numerous advertising alternatives.

4. Year One gross operating revenues generated could be \$725,300.00.

Actual Revenue Generated - \$237,082.00

5. Year One - operating surplus of approximately \$100,900.00.

The Golf Enterprise had a deficit of \$227,945.00.

In fact, \$200,000.00 dollars of the Town's free cash had to be used to subsidize the deficit.

In Year Two, the Golf Facility Study (Page 14) reflects 31,500 rounds and \$783,444.00 dollars in revenues.

Through August of 2003, actual rounds played was 17,261.

Revenues Generated	-	\$410,457.00
Deficit	-	\$525,727.00

Again, free cash in the amount of \$200,000.00 is used to subsidize the deficit.

## Executive Summary

The following executive summary is intended to provide a brief review of significant conclusions and recommendations relating to our evaluation of the operational characteristics of the Sassamon Trace golf facility. Detailed observations and recommendations relating to this summary are included within the text of this report.

### ■ Operating Estimates

- Based on the existing and projected opportunity within the Sassamon Trace Golf Course market area, we estimate that a 9-hole executive length Sassamon Trace public golf facility is likely to accommodate approximately 29,750 rounds of play during its first full year of operation. It is further estimated that a public facility at the proposed development site could reach operational stabilization - in terms of the annual rounds of play that it is likely to accommodate in a typical operating year - in the fourth year of operation at approximately 35,000 rounds.
- These estimates are based on existing and projected market support, the implementation of an aggressive marketing strategy, and the employment of a knowledgeable and experienced public golf facility management team.
- It is estimated that the Sassamon Trace golf facility could generate gross operating revenues of approximately \$725,300 in the first full year of operation and approximately \$1,074,700 in the tenth year of operation.
- It is estimated that the facility could generate an operating surplus of approximately \$100,900 in its first full year of operation and an annual operating surplus of \$355,200 by the tenth year of operation.
- Our estimates indicate that cash flow (surplus revenue plus estimated depreciation) in the first year would approach \$110,900 and, by the tenth year, annual cash flow could expand to \$360,200.
- Cumulative cash flows in the ten years of operation, without allowances for capital debt service, could approach \$2.64 million.

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# **Golf Facility Study**

***Sassamon Trace Golf Course***

***Natick, Massachusetts***

***August 31, 2001 (Draft Copy)***

Prepared for:

**Town of Natick, Massachusetts**

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## Introduction

The Town of Natick, Massachusetts has built a nine hole executive length public golf facility, the Sassamon Trace Golf Course, on the town's landfill site on Route 27 at the Natick / Sherborn town line. Cornish, Silva and Mungeam, Inc., an Uxbridge, Massachusetts based golf course architectural firm designed the par 32 course which measures 2,383 yards from the back tees, 2,175 yards from the middle tees, and 1,744 yards from the forward tees. The golf course, which is partly on land located in the adjoining Town of Sherborn, opened for play on September 1, 2001.

As part of the feasibility study process for this project, in January of 1996, the Town hired the firm of Golf Resource Associates, Inc. of Woodstock, Georgia to prepare a golf market evaluation and operating estimates report. The completed report was delivered to the Town in March of that year.

In February of 1999, the Town retained Mr. John LaPoint of Grafton, Massachusetts, a golf facilities consultant in private practice with more than 25 years of golf industry experience, to provide additional independent evaluation of specific aspects of the feasibility of developing the proposed golf facility. Specifically, Mr. LaPoint was retained to prepare an update of the Operating Estimates Report, the ten year financial projection for the proposed golf facility. This updated report was delivered to the Town in March of 1999. Mr. LaPoint previously served as a senior consultant with Golf Resource Associates, Inc. at the time of the 1996 Town of Natick Golf Facility Study. He conducted all of the field work for the market evaluation, assisted in the preparation of the final report, and presented the completed study report to the Natick Town Meeting.

As part of the continuing planning process for the Sassamon Trace Golf Course, in August of 2001, the Town of Natick again hired Mr. LaPoint to prepare a further update of the Operating Estimates Report, the ten year financial projection for the golf facility. This report was delivered on August 31, 2001.

### ■ Scope of Study

The updated (August 31, 2001) *Sassamon Trace Golf Course Operating Estimates Report* is intended to be a realistic look at the facility's revenue and expense structure during its first ten years of operation. The report is based on information provided by members of the administrative staff of the Town of Natick, Massachusetts, and by Mr. Kevin Osgood of Sterling Golf Management, Inc., the company selected by the town to manage the golf course.

Information provided included the contract between the town and Sterling Golf Management, a list of current golf course and golf car rental fees and charges as approved by the town, and expense information related to the town's specific operational responsibilities under the current management contract. The report is also based on the proposed facility's market opportunity, the type of facility developed, the current operating experience of public golf facilities within the proposed facility's market area, and the past and current operating characteristics of public golf facilities in Massachusetts and the southern New England region.

### ■ Study Limitations

Estimates, projections and analysis presented within the *Sassamon Trace Golf Facility Study* reflect the best judgment of Golf Facilities Consultant John LaPoint within the scope of this assignment. Every reasonable attempt has been made to collect the most accurate information in evaluating probable operating potential for this type of golf facility.

While much of the material in this report, including estimates of resident golf participation and facility operating potential, has been taken from our internal data base of New England golf facility operations, it should be understood by those reviewing this report, that each golf market and development situation is unique unto itself. Consequently, averages, medians, percentages and estimates which will enable a precise prediction of facility operating potential are rarely available.

It should be further understood that conclusions within this report are made on the basis of Golf Facilities Consultant John LaPoint's evaluation of current market area and facility operating characteristics and the application of standards which were found to be applicable to the situations associated with the market opportunity for, and the subsequent operation of, the Town of Natick's Sassamon Trace golf facility.

Please note that this report may not be distributed, copied, or communicated in any manner, *except by the Client, The Town of Natick, Massachusetts*, without the written permission of Golf Facilities Consultant John LaPoint.

### Terms and Abbreviations

The following definitions and explanations concern common terms and abbreviations which are used within the text of this report. Given regional and local variations in the usage of certain golf and market research terms, it is of benefit to become acquainted with the use of such terms and abbreviations as they are used within this report.

#### ■ Common Terms

**Golf Facility:** A golf facility is a private or semi-private golf club, or publicly accessible facility (daily fee or municipal) which offers the opportunity to participate in the game of golf on one or more regulation length, executive length or par-3 golf courses. A golf facility contains at least one nine-hole course and may include several golf courses of the same length or different types of courses such as a regulation length and a par-3 course.

**Private Golf Club:** A private golf club is defined as a golf facility which restricts use to members of the club and their guests. The members may or may not have an individual proprietary interest, or the club may be owned by private enterprise which makes it available to members for dues or fees.

**Semi-Private Golf Club:** A semi-private golf club is defined as a golf facility which is privately-owned but accepts both membership and general public play. Typically, this type of facility affords its members preferential accessibility and restricts play by the general public to "off-peak" periods.

**Daily Fee Golf Facility:** A daily fee golf facility is defined as a golf facility which is privately-owned but open to general public play. Membership opportunities or annual play passes may or may not be available. Resort based golf facilities, including those with guest-only play restrictions, are included in this category of golf facility.

**Municipal Golf Facility:** A municipal golf facility is defined as a golf facility which is owned by a tax-supported agency such as a city, county, town, state, school, park district, or other special tax districts. The facility may be operated by the agency or by private enterprise under the terms of lease agreement or other management agreement. This type of facility is open to the general public and may or may not offer membership opportunities or annual play passes.

**Golf Course:** A golf course is a set of at least nine separate holes and not more than 27 holes and may be of regulation length, executive length or par-3 length.

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## Terms and Abbreviations

**Regulation Length Golf Course:** A traditional length golf course with a total length of over 5,200 yards for 18 holes and a par rating of 66 or more.

**Executive or Mid-Length Golf Course:** A shorter or compact version of the regulation length golf course with a total length of 4,000 yards to 5,200 yards for 18 holes with a par rating of 58 to 66.

**Par-3 Golf Course:** A short course comprised solely of par-3 holes with a total length that is under 4,000 yards for 18 holes and a par of 54 strokes.

**Golf Participation Rate:** The percentage of individuals age twelve or older within a given population or demographic segment that are likely to participate in golf.

**Golf Participants or Golfers:** Persons who engage in one or more rounds of play on a regulation length, executive length, or par-3 golf course. A "public" golf participant is a golfer who plays the majority of his or her rounds of play at a municipal or daily fee golf facility. A "private" golf participant is one who most often participates in the game at a private membership golf club.

**Potential Golf Participants:** Persons within a given population who, on the basis of their demographic profile, are likely to have an inclination to participate in golf. Those included within the potential golf participant segment may, or may not, actually participate in golf.

**Round, or Round of Play:** A unit to measure golf course frequency of play. A round designates one golf participant, and includes play of 9 or 18 holes.

### ■ Abbreviations

**GCSAA:** Golf Course Superintendents Association of America

**NGF:** National Golf Foundation

**PGA:** Professional Golfers Association of America

**USGA:** United States Golf Association

## **Executive Summary**

The following executive summary is intended to provide a brief review of significant conclusions and recommendations relating to our evaluation of the operational characteristics of the Sassamon Trace golf facility. Detailed observations and recommendations relating to this summary are included within the text of this report.

### **■ Operating Estimates**

- Based on the existing and projected opportunity within the Sassamon Trace Golf Course market area, we estimate that a 9-hole executive length Sassamon Trace public golf facility is likely to accommodate approximately 29,750 rounds of play during its first full year of operation. It is further estimated that a public facility at the proposed development site could reach operational stabilization - in terms of the annual rounds of play that it is likely to accommodate in a typical operating year - in the fourth year of operation at approximately 35,000 rounds.
- These estimates are based on existing and projected market support, the implementation of an aggressive marketing strategy, and the employment of a knowledgeable and experienced public golf facility management team.
- It is estimated that the Sassamon Trace golf facility could generate gross operating revenues of approximately \$725,300 in the first full year of operation and approximately \$1,074,700 in the tenth year of operation.
- It is estimated that the facility could generate an operating surplus of approximately \$100,900 in its first full year of operation and an annual operating surplus of \$355,200 by the tenth year of operation.
- Our estimates indicate that cash flow (surplus revenue plus estimated depreciation) in the first year would approach \$110,900 and, by the tenth year, annual cash flow could expand to \$360,200.
- Cumulative cash flows in the ten years of operation, without allowances for capital debt service, could approach \$2.64 million.

## Operating Estimates Report

The following pages detail updated (August 31, 2001) income and expense projections for the operation of a 9-hole executive length public golf course known as the Sassamon Trace Golf Course in Natick, Massachusetts. This updated *Operating Estimates Report* includes a user fee schedule as determined and approved by the Town of Natick and anticipated revenue and expenses during the first ten years of operation.

The financial projections provided in this report are based upon Golf Facilities Consultant John LaPoint's ongoing research of public golf facilities in the Sassamon Trace market area as defined in Golf Resource Associates, Inc.'s March 1996 market report, research of other eastern Massachusetts public golf facilities, other comparable public golf facilities in southern New England, and regional and national golf facility operations surveys conducted by secondary sources. In addition, these operating estimates have taken into consideration the objectives of the client in terms of the type of golf course developed and the quality of operating standards.

It should be recognized that the financial operations of any golf course are significantly influenced by the quality of the course's design, competence of management, cyclical economic conditions in the market area and other factors which cannot always be anticipated in a ten year pro forma. The forecasts presented are designed to offer realistic and conservative projections of the likely financial performance of the Sassamon Trace golf course, under current and forecast market conditions and assuming competent facility management.

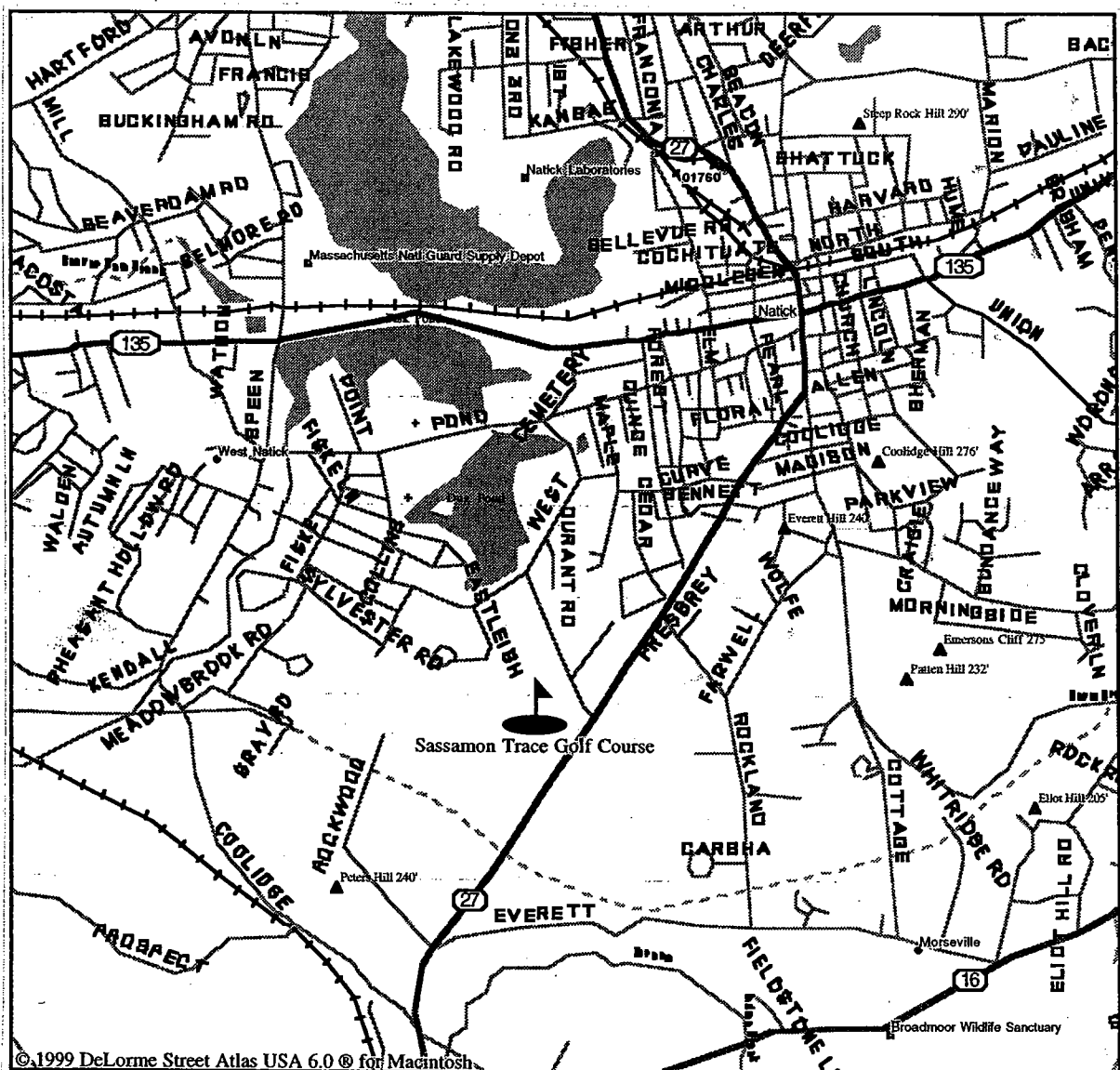
This report presents a financial and operational projection (pro forma) for the golf course. The pro forma provides cash flow projections for golf course operations. These cash flows are prepared so as to estimate the facility's ability to support capital debt service expenses during the first ten years of operation.

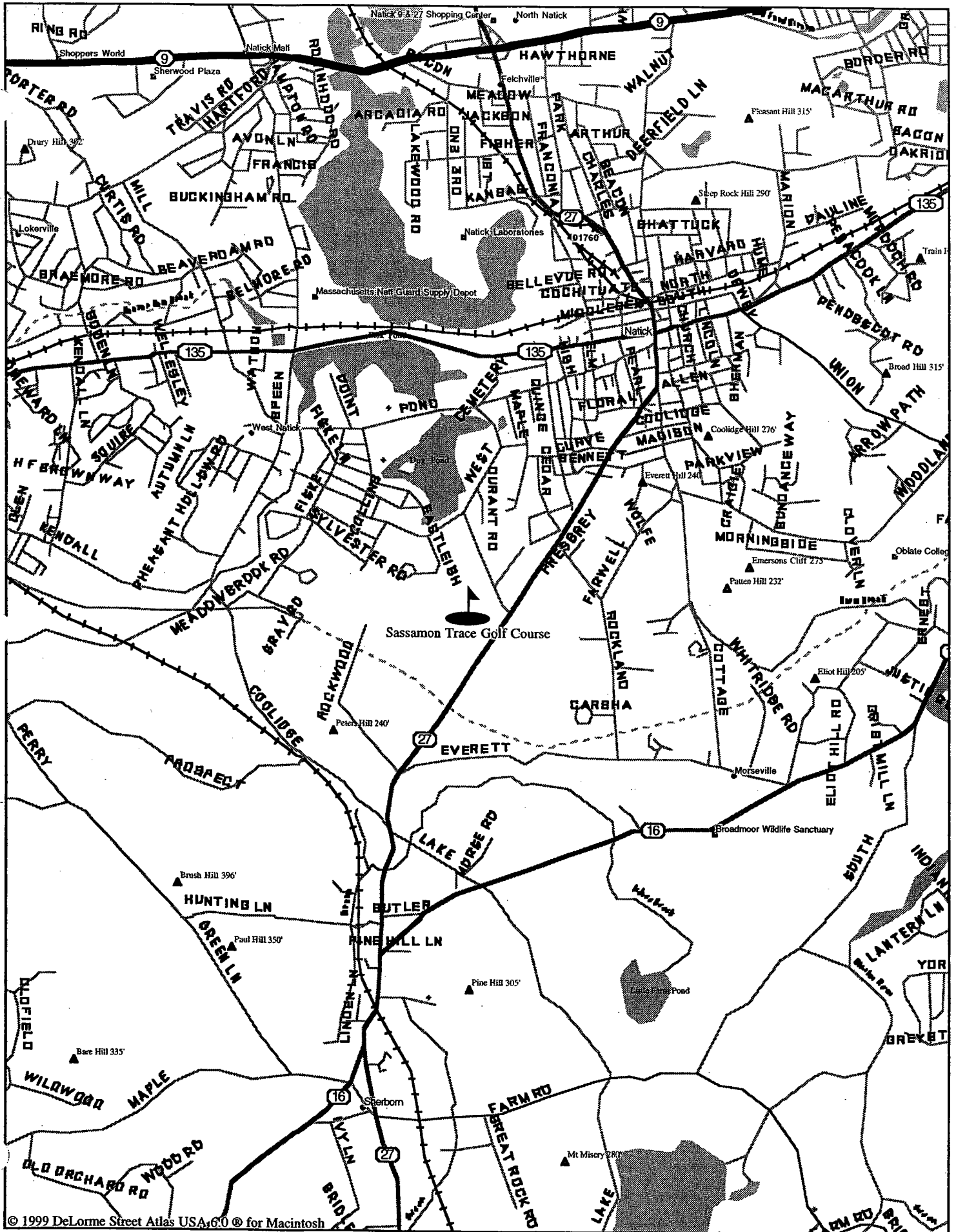
■ Site Overview

Location

The Town of Natick's Sassamon Trace golf facility site consists of the town's former sanitary landfill property located on state route 27 at the Natick / Sherborn town line. Five holes of the golf course are located in the Town of Sherborn on privately owned property, part of the Dowse Apple Orchard, that is leased to the Town of Natick. Entrance to the site is from Route 27 approximately 1/4 mile from the town line.

MAP 1. SITE LOCATION MAP  
Sassamon Trace Golf Facility Site





**■ Fee Schedules**

This updated (August 31, 2001) *Operating Estimates Report* utilizes a fee schedule that was selected and approved by the Town of Natick for operation of the Sassamon Trace Golf Course from its scheduled September 1, 2001 opening and through its first full year of operation. (calendar year 2002)

The fees depicted within the first year schedule are based upon current market conditions. (2001 dollars) In this updated financial projection, daily green fees and golf car rental fees have been adjusted in subsequent years to reflect a 2.0% annual fee increase. Annual "memberships" tend to dilute facility revenues and are typically not recommended. This particular financial projection has not included memberships within the facility's fee structure. Revenues which might be obtained from sources such as lesson fees or special event fees are highly dependent upon facility operating policies and, thus, are not reflected within the fee structure or facility revenue estimates.

**■ APPROVED FEE SCHEDULE - FIRST YEAR**

**Town of Natick / Sassamon Trace Golf Course**

**Daily Green Fees:**

**Town of Natick Residents**

<b>Weekdays:</b>	
9 Holes	\$18.00
18 Holes	29.00
<b>Weekends / Holidays:</b>	
9 Holes	\$20.00
18 Holes	32.00

**Non- Residents**

<b>Weekdays:</b>	
9 Holes	\$20.00
18 Holes	32.00
<b>Weekends / Holidays:</b>	
9 Holes	\$22.00
18 Holes	35.00

**Juniors (under Age 18)**

<b>Weekdays:</b>	
9 Holes	\$12.00
18 Holes	19.00
<b>Weekends / Holidays: (after 3:30 PM)</b>	
9 Holes	\$12.00
18 Holes	19.00

**Seniors (over Age 60)**

<b>Weekdays:</b>	
9 Holes	\$16.00
18 Holes	25.00
<b>Weekends / Holidays: (after 3:30 PM)</b>	
9 Holes	\$16.00
18 Holes	25.00

**Golf Car Rentals: (two riders)**

9 Holes	\$14.00
18 Holes	28.00

NOTE: It is recommended that the facility fee schedule be adjusted on an annual basis to reflect current costs and inflation. For the purpose of revenue estimates within this report, the facility fee schedule is adjusted by 2.0 percent in subsequent years.

■ **Revenue / Expense Estimates**

Projections of play and the resulting facility revenue estimates are determined by anticipated market support based on the type of course that was developed, the approved fee schedule, and certain assumptions of management. Estimates of golf operation revenues and expenses are always predicated on the employment of experienced and knowledgeable golf facility management.

**Operating Assumptions**

1. It is estimated, based on national averages, the operating experience of market area golf facilities and the anticipated operating policies of a quality public golf facility at the Sassamon Trace Golf Course site that approximately 80% of the facility's weekend play and 90% of the weekday play will be in the form of 9-hole rounds. The remainder of daily play would be in the form of eighteen hole play.
2. It is anticipated that approximately 45% of the total annual volume of play will be accommodated during weekends and the remaining 55% of play will occur on weekdays during the first two years of operation, and then 50% on weekends and 50% on weekdays during operational years three to ten.
3. It is anticipated that approximately 40% of the total annual volume of play will be by Natick residents and 60% of play will be by non-residents during the first two years of operation. During operational years three to ten 45% of the total annual volume of play will be by Natick residents and 55% of play will be by non-residents.
4. It is estimated that the Sassamon Trace golf facility, given existing market conditions, and the quality and type of course developed, would accommodate 29,750 rounds of play during its first full year of operation. It is further estimated that the proposed facility will reach operational maturity—in terms of anticipated rounds of play to be accommodated—in the fourth year of operation with 35,000 rounds of play.

It is assumed that after the fourth year of operation that the annual rounds of play accommodated by the facility will continue to expand by approximately one percent per year through the ninth year of operation.

5. It is assumed, based on the operating characteristics of golf facilities in the market area, regional golf facility operating performance, and normal climatic conditions, that a typical operating year would consist of approximately 190 to 210 days of play.

6. Given the market area climate, the experience of other southern New England area public golf facilities, the configuration of the golf course as built, and anticipated facility operating policy it is assumed that the percentage of golf car rentals will involve approximately 30 percent of facility users. The typical golf car rental will involve two riders.

7. There is no driving range planned at the Sassamon Trace facility, and thus no allowance was made in this pro forma for driving range income or expenses.

8. Under the "Contract For Golf Course Management Services dated December 19, 2000" between the Town of Natick and Sterling Golf Management, Inc., all income from and expenses for food and beverage sales, golf shop merchandise sales, and miscellaneous rental income (pull carts, club rentals) at the golf facility accrue to and are the responsibility of the golf course management company, and thus no allowance was made in this pro forma for income or expenses to the Town of Natick from these activities.

9. Under the "Contract For Golf Course Management Services dated December 19, 2000" between the Town of Natick and Sterling Golf Management, Inc., Sterling Golf Management will provide golf course management services for calendar year 2002 at a fee of \$429,050.00, and for calendar year 2003 at a fee of \$443,770.00. (an approximate 3.4% increase) These contractual amounts are reflected in the expense section of the accompanying pro-forma. Sterling Golf Management's contract with the Town of Natick expires on December 31, 2003.

In this pro-forma it is assumed that the Town of Natick will continue to employ golf course management services under a similar contractual situation. For the purposes of this projection, it is assumed that a 3% increase in the fee for management services would be applicable for years three to five of the contract - the sum of \$457,083 per year, an additional 3% increase would be applicable for years six to eight - the sum of \$470,795.00 per year, and an additional 3% increase would be applicable for years nine and ten of the pro-forma - the sum of \$484,919.00.

10. Land lease payments for the privately owned Dowse Farm property located in the town of Sherborn and used for construction of five holes of the golf facility have been calculated in the pro-forma at a rate of an initial (Year One) payment of \$40,000, increasing at a rate of 3 % annually.

11. A property tax payment to the town of Sherborn for the Dowse property has been calculated into the pro-forma at an initial year's payment of \$1,200.00, increasing at a rate of 3 % annually.
12. Under the "Contract For Golf Course Management Services dated December 19, 2000" between the Town of Natick and Sterling Golf Management, Inc., the Town of Natick is responsible for payment of the following utility charges:
  - a.) water for clubhouse and maintenance garage
  - b.) irrigation water
  - c.) electricity for clubhouse and maintenance building
  - d.) electricity for recharging of golf cars
13. An allowance of \$45,000.00 per year has been included in the pro-forma for environmental testing required under the order of conditions that was negotiated for the closing of the landfill and the building of the golf course.
14. An allowance for the amortization of clubhouse furnishings and permanent golf course fixtures (benches, tee marker signs) is based on an estimated capitalization cost of approximately \$50,000.00 and an anticipated life of five years. During years five to ten, an additional allowance of \$25,000.00 for golf course fixtures is factored in at a rate of \$5,000.00 per year.
15. A municipal administrative management fee amounting to 1% of gross facility revenues has been added reflecting services (overall administration, accounting, etc.) which are likely to be provided by the Town.
16. Facility operating expenses are generally adjusted by 3.0 percent annually except as noted in these operating assumptions.
17. Although a specific allowance is not provided for facility development debt service, "Estimated Cash Flow Summary" indicates the estimated funds available for facility debt service.

The following pages provide estimated revenues and expenses for the first full ten years of the Sassamon Trace Golf Course. All estimates are based upon the development of a quality public golf facility and are further based upon the operating assumptions outlined above. Note that numbers in tables have been rounded to the nearest whole dollar amount for clarity.

## Golf Facility Study

### Estimated Facility Operating Revenues

Revenue Source	Rate	Rounds	Amount	Year One
				Total Amount
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$29.00	655	\$18,981.00	
9-Holes	\$18.00	5,891	106,029.00	
Weekends/Holidays:				
18-Holes	\$32.00	1,071	\$34,272.00	
9-Holes	\$20.00	<u>4,284</u>	<u>85,680.00</u>	
<i>Sub-Total:</i>		11,900		\$244,962.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$32.00	982	\$31,416.00	
9-Holes	\$20.00	8,836	176,715.00	
Weekends/Holidays:				
18-Holes	\$35.00	1,607	\$56,228.00	
9-Holes	\$22.00	<u>6,426</u>	<u>141,372.00</u>	
<i>Sub-Total:</i>		17,850		\$405,731.00
<b>Golf Car Rental</b>				
18-Holes	\$28.00	1,078	\$30,184.00	
9-Holes	\$14.00	<u>3,180</u>	<u>44,520.00</u>	
<i>Sub-Total:</i>		4,258		\$74,704.00
<b>Estimated Gross Operating Revenues</b>				<b>\$725,397.00</b>

#### Summary of Estimated Operating Revenues:

Revenue Source	Estimated Revenue
Resident Green Fees	\$244,962.00
Non Resident Green Fees	405,731.00
Golf Car Rental	<u>74,704.00</u>
<b>Total Revenue</b>	<b>\$725,397.00</b>

Estimated Rounds of Play: 29,750

## Golf Facility Study

<b>Estimated Facility Operating Revenues</b>				<b>Year Two</b>
<b>Revenue Source</b>	<b>Rate</b>	<b>Rounds</b>	<b>Amount</b>	<b>Total Amount</b>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$29.58	693	\$20,499.00	
9-Holes	18.36	6,237	114,511.00	
Weekends/Holidays:				
18-Holes	\$32.64	1,134	\$37,014.00	
9-Holes	20.40	<u>4,536</u>	<u>92,534.00</u>	
<b>Sub-Total:</b>		12,600		\$264,558.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$32.64	1,040	\$33,929.00	
9-Holes	20.40	9,356	190,852.00	
Weekends/Holidays:				
18-Holes	\$35.70	1,701	\$60,726.00	
9-Holes	22.44	<u>6,804</u>	<u>152,682.00</u>	
<b>Sub-Total:</b>		18,900		\$438,189.00
<b>Golf Car Rental</b>				
18-Holes	\$28.56	1,142	\$32,616.00	
9-Holes	14.28	<u>3,367</u>	<u>48,081.00</u>	
<b>Sub-Total:</b>		4,509		\$80,697.00
<b>Estimated Gross Operating Revenues</b>				<b>\$783,444.00</b>

Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$264,558.00
Non Resident Green Fees	438,189.00
Golf Car Rental	<u>80,697.00</u>

Total Revenue \$783,444.00

Estimated Rounds of Play: 31,500

## Golf Facility Study

<b>Estimated Facility Operating Revenues</b>				<b>Year Three</b>
<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$30.17	748	\$22,572.00	
9-Holes	18.73	6,733	126,093.00	
Weekends/Holidays:				
18-Holes	\$33.29	1,496	\$49,814.00	
9-Holes	20.81	<u>5,985</u>	<u>124,536.00</u>	
<i>Sub-Total:</i>		14,963		\$323,015.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$33.29	914	\$30,442.00	
9-Holes	20.81	8,229	171,237.00	
Weekends/Holidays:				
18-Holes	\$36.41	1,829	\$66,592.00	
9-Holes	22.89	<u>7,315</u>	<u>167,432.00</u>	
<i>Sub-Total:</i>		18,288		\$435,703.00
<b>Golf Car Rental</b>				
18-Holes	\$29.13	1,247	\$36,327.00	
9-Holes	14.57	<u>3,533</u>	<u>51,460.00</u>	
<i>Sub-Total:</i>		4,780		\$87,787.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$846,505.00</b>

Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$323,015.00
Non Resident Green Fees	435,703.00
Golf Car Rental	<u>87,787.00</u>
<b>Total Revenue</b>	<b>\$846,505.00</b>
<b>Estimated Rounds of Play:</b>	<b>33,250</b>

## Golf Facility Study

<u>Estimated Facility Operating Revenues</u>				<u>Year Four</u>
<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$30.78	788	\$24,235.00	
9-Holes	19.10	7,088	135,384.00	
Weekends/Holidays:				
18-Holes	\$33.96	1,575	\$53,485.00	
9-Holes	21.22	<u>6,300</u>	<u>133,712.00</u>	
<i>Sub-Total:</i>		15,750		\$346,816.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$33.96	963	\$32,685.00	
9-Holes	21.22	8,663	183,854.00	
Weekends/Holidays:				
18-Holes	\$37.14	1,925	\$71,499.00	
9-Holes	23.35	<u>7,700</u>	<u>179,769.00</u>	
<i>Sub-Total:</i>		19,250		\$467,807.00
<b>Golf Car Rental</b>				
18-Holes	\$29.71	1,313	\$39,014.00	
9-Holes	14.86	<u>3,719</u>	<u>55,253.00</u>	
<i>Sub-Total:</i>		5,032		\$94,267.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$908,890.00</b>

Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$346,816.00
Non Resident Green Fees	467,807.00
Golf Car Rental	<u>94,267.00</u>
<b>Total Revenue</b>	<b>\$908,890.00</b>

Estimated Rounds of Play: 35,000

**Estimated Facility Operating Revenues**

<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Year Five Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$31.39	795	\$24,967.00	
9-Holes	19.48	7,158	139,472.00	
Weekends/Holidays:				
18-Holes	\$34.64	1,591	\$55,100.00	
9-Holes	21.65	<u>6,363</u>	<u>137,750.00</u>	
<i>Sub-Total:</i>		15,908		\$357,289.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$34.64	972	\$33,672.00	
9-Holes	21.65	8,749	189,407.00	
Weekends/Holidays:				
18-Holes	\$37.89	1,944	\$73,658.00	
9-Holes	23.81	<u>7,777</u>	<u>185,198.00</u>	
<i>Sub-Total:</i>		19,443		\$481,935.00
<b>Golf Car Rental</b>				
18-Holes	\$30.31	1,326	\$40,189.00	
9-Holes	15.15	<u>3,756</u>	<u>56,919.00</u>	
<i>Sub-Total:</i>		5,082		\$97,108.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$936,332.00</b>

Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$357,289.00
Non Resident Green Fees	481,935.00
Golf Car Rental	<u>97,108.00</u>
<b>Total Revenue</b>	<b>\$936,332.00</b>

Estimated Rounds of Play: 35,350

## Golf Facility Study

### Estimated Facility Operating Revenues

<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Year Six Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$32.02	803	\$25,719.00	
9-Holes	19.87	7,229	143,670.00	
Weekends/Holidays:				
18-Holes	\$35.33	1,607	\$56,759.00	
9-Holes	22.08	<u>6,426</u>	<u>141,896.00</u>	
<i>Sub-Total:</i>		16,065		\$368,044.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$35.33	982	\$34,686.00	
9-Holes	22.08	8,836	195,108.00	
Weekends/Holidays:				
18-Holes	\$38.64	1,964	\$75,875.00	
9-Holes	24.29	<u>7,854</u>	<u>190,772.00</u>	
<i>Sub-Total:</i>		19,635		\$496,441.00
<b>Golf Car Rental</b>				
18-Holes	\$30.91	1,339	\$41,394.00	
9-Holes	15.46	<u>3,793</u>	<u>58,629.00</u>	
<i>Sub-Total:</i>		5,132		\$100,023.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$964,508.00</b>

Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$368,044.00
Non Resident Green Fees	496,441.00
Golf Car Rental	<u>100,023.00</u>
<b>Total Revenue</b>	<b>\$964,508.00</b>

Estimated Rounds of Play: 35,700

## Golf Facility Study

### Estimated Facility Operating Revenues

<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Year Seven Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$32.66	811	\$26,490.00	
9-Holes	20.27	7,300	147,980.00	
Weekends/Holidays:				
18-Holes	\$36.04	1,622	\$58,461.00	
9-Holes	22.52	<u>6,489</u>	<u>146,153.00</u>	
<i>Sub-Total:</i>		16,223		\$379,084.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$36.04	991	\$35,726.00	
9-Holes	22.52	8,922	200,961.00	
Weekends/Holidays:				
18-Holes	\$39.42	1,983	\$78,151.00	
9-Holes	24.78	<u>7,931</u>	<u>196,495.00</u>	
<i>Sub-Total:</i>		19,828		\$511,333.00
<b>Golf Car Rental</b>				
18-Holes	\$31.53	1,352	\$42,632.00	
9-Holes	15.77	<u>3,830</u>	<u>60,385.00</u>	
<i>Sub-Total:</i>		5,182		\$103,017.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$993,434.00</b>

#### Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$379,084.00
Non Resident Green Fees	511,333.00
Golf Car Rental	<u>103,017.00</u>
<b>Total Revenue</b>	<b>\$993,434.00</b>

Estimated Rounds of Play: 36,050

## Golf Facility Study

### Estimated Facility Operating Revenues

<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Year Eight Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$33.31	819	\$27,282.00	
9-Holes	20.68	7,371	152,405.00	
Weekends/Holidays:				
18-Holes	\$36.76	1,638	\$60,210.00	
9-Holes	22.97	<u>6,552</u>	<u>150,524.00</u>	
<i>Sub-Total:</i>		16,380		\$390,421.00
<b>Non-Resident Green Fees:</b>				
Weekdays:				
18-Holes	\$36.76	1,001	\$36,795.00	
9-Holes	22.97	9,009	206,970.00	
Weekends/Holidays:				
18-Holes	\$40.20	2,002	\$80,488.00	
9-Holes	25.27	<u>8,008</u>	<u>202,371.00</u>	
<i>Sub-Total:</i>		20,020		\$526,624.00
<b>Golf Car Rental</b>				
18-Holes	\$32.16	1,365	\$43,903.00	
9-Holes	16.08	<u>3,868</u>	<u>62,204.00</u>	
<i>Sub-Total:</i>		5,233		\$106,107.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$1,023,152.00</b>

#### Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$390,421.00
Non Resident Green Fees	526,624.00
Golf Car Rental	<u>106,107.00</u>
<b>Total Revenue</b>	<b>\$1,023,152.00</b>

Estimated Rounds of Play: 36,400

## Golf Facility Study

### Estimated Facility Operating Revenues

<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Year Nine Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$33.98	827	\$28,096.00	
9-Holes	21.09	7,442	156,948.00	
Weekends/Holidays:				
18-Holes	\$37.49	1,654	\$62,004.00	
9-Holes	23.43	<u>6,615</u>	<u>155,011.00</u>	
<i>Sub-Total:</i>		16,538		\$402,059.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$37.49	1,011	\$37,891.00	
9-Holes	23.43	9,096	213,139.00	
Weekends/Holidays:				
18-Holes	\$41.01	2,021	\$82,888.00	
9-Holes	25.78	<u>8,085</u>	<u>208,403.00</u>	
<i>Sub-Total:</i>		20,213		\$542,321.00
<b>Golf Car Rental</b>				
18-Holes	\$32.81	1,378	\$45,207.00	
9-Holes	16.40	<u>3,905</u>	<u>64,055.00</u>	
<i>Sub-Total:</i>		5,283		\$109,262.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$1,053,642.00</b>

#### Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$402,059.00
Non Resident Green Fees	542,321.00
Golf Car Rental	<u>109,262.00</u>
<b>Total Revenue</b>	<b>\$1,053,642.00</b>

Estimated Rounds of Play: 36,750

**Estimated Facility Operating Revenues**

<u>Revenue Source</u>	<u>Rate</u>	<u>Rounds</u>	<u>Amount</u>	<u>Year Ten</u>
				<u>Total Amount</u>
<b>Natick Resident Green Fees</b>				
Weekdays:				
18-Holes	\$34.66	827	\$28,658.00	
9-Holes	21.51	7,442	160,087.00	
Weekends/Holidays:				
18-Holes	\$38.24	1,654	\$63,244.00	
9-Holes	23.90	<u>6,615</u>	<u>158,111.00</u>	
<i>Sub-Total:</i>		16,538		\$410,100.00
<b>Non-Resident Green Fees</b>				
Weekdays:				
18-Holes	\$38.24	1,011	\$38,649.00	
9-Holes	23.90	9,096	217,402.00	
Weekends/Holidays:				
18-Holes	\$41.83	2,021	\$84,545.00	
9-Holes	26.29	<u>8,085</u>	<u>212,571.00</u>	
<i>Sub-Total:</i>		20,213		\$553,167.00
<b>Golf Car Rental</b>				
18-Holes	\$33.46	1,378	\$46,111.00	
9-Holes	16.73	<u>3,905</u>	<u>65,336.00</u>	
<i>Sub-Total:</i>		5,283		\$111,447.00
<b>Total Estimated Gross Operating Revenues</b>				<b>\$1,074,714.00</b>

Summary of Facility Operating Revenue:

Revenue Source:	Estimated Revenue
Resident Green Fees	\$410,100.00
Non Resident Green Fees	553,167.00
Golf Car Rental	<u>111,447.00</u>
<b>Total Revenue</b>	<b>\$1,074,714.00</b>

Estimated Rounds of Play: 36,750

## Golf Facility Study

### Summary of Estimated Facility Operating Revenues

Years One to Ten

<u>Revenue Source</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
Resident Green Fees	\$244,962.00	\$264,558.00	\$323,015.00	\$346,816.00	\$357,289.00
Non-Resident Green Fees	405,731.00	438,189.00	435,703.00	467,807.00	481,935.00
Golf Car Rental	<u>74,704.00</u>	<u>80,697.00</u>	<u>87,787.00</u>	<u>94,267.00</u>	<u>97,108.00</u>

<b>Estimated Gross Operating Revenue:</b>	<b>\$725,397.00</b>	<b>\$783,444.00</b>	<b>\$846,505.00</b>	<b>\$908,890.00</b>	<b>\$936,332.00</b>
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Estimated Gross Operating Revenue/Round:	\$24.38	\$24.87	\$25.46	\$25.97	\$26.49
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<u>Revenue Source</u>	<u>Year Six</u>	<u>Year Seven</u>	<u>Year Eight</u>	<u>Year Nine</u>	<u>Year Ten</u>
Resident Green Fees	\$368,044.00	\$379,084.00	\$390,421.00	\$402,059.00	\$410,100.00
Non-Resident Green Fees	496,441.00	511,333.00	526,624.00	542,321.00	553,167.00
Golf Car Rental	<u>100,023.00</u>	<u>103,017.00</u>	<u>106,107.00</u>	<u>109,262.00</u>	<u>111,447.00</u>

<b>Estimated Gross Operating Revenue:</b>	<b>\$964,508.00</b>	<b>\$993,434.00</b>	<b>\$1,023,152.00</b>	<b>\$1,053,642.00</b>	<b>\$1,074,714.00</b>
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Estimated Gross Operating Revenue/Round:	\$27.02	\$27.56	\$28.11	\$28.67	\$29.24
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## Golf Facility Study

### Estimated Facility Operating Expenses

### Years One to Five

<u>Expense Source</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
<b>Contract Management</b>					
Golf Course Management Fee	\$429,050.00	\$443,770.00	\$457,083.00	\$457,083.00	\$457,083.00
<b>Land</b>					
Dowse Land Lease	\$40,000.00	\$41,200.00	\$42,436.00	\$43,709.00	\$45,020.00
Sherborn Property Taxes	<u>1,200.00</u>	<u>1,236.00</u>	<u>1,273.00</u>	<u>1,311.00</u>	<u>1,350.00</u>
<i>Sub-total Land:</i>	\$41,200.00	\$42,436.00	\$43,709.00	\$45,020.00	\$46,370.00
<b>Utilities</b>					
Utilities - Course Irrigation Water	\$30,000.00	\$30,900.00	\$31,827.00	\$32,782.00	\$33,765.00
Utilities - Water for Buildings	600.00	618.00	637.00	656.00	676.00
Utilities - Sewer Charges	300.00	309.00	318.00	328.00	338.00
Utilities - Electric	<u>7,500.00</u>	<u>7,725.00</u>	<u>7,957.00</u>	<u>8,196.00</u>	<u>8,442.00</u>
<i>Sub-total Utilities:</i>	\$38,400.00	\$39,552.00	\$40,739.00	\$41,962.00	\$43,221.00
<b>Town Operational Expenses</b>					
Advertising/Promotion	\$12,000.00	\$12,000.00	\$12,360.00	\$12,731.00	\$13,113.00
Golf Car Rental Expense	22,140.00	22,140.00	22,140.00	22,140.00	22,140.00
Environmental Testing	45,000.00	46,350.00	47,741.00	49,173.00	50,648.00
Clubhouse/Trailer Rental	7,620.00	7,620.00	0.00	0.00	0.00
Clubhouse Telephone	1,350.00	1,391.00	1,433.00	1,476.00	1,520.00
Rubbish Removal	1,400.00	1,442.00	1,485.00	1,530.00	1,576.00
Irrigation System Repairs	1,500.00	1,545.00	1,591.00	1,639.00	1,688.00
Miscellaneous	<u>2,500.00</u>	<u>2,575.00</u>	<u>2,652.00</u>	<u>2,732.00</u>	<u>2,814.00</u>
<i>Sub-total Operational Expenses:</i>	\$93,510.00	\$95,063.00	\$89,402.00	\$91,421.00	\$93,499.00
<b>Other Facility Expense</b>					
Course Repairs (Contingency)	\$5,000.00	\$5,150.00	\$5,305.00	\$5,464.00	\$5,628.00
Municipal Administrative Fee	7,254.00	7,834.00	8,465.00	9,089.00	9,363.00
Depreciation: Fixtures	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>
<i>Sub-total Other Expense:</i>	\$22,254.00	\$22,984.00	\$23,770.00	\$24,553.00	\$24,991.00
<b>Estimated Gross</b>					
<b>Operating Expense</b>	<b>\$624,414.00</b>	<b>\$643,805.00</b>	<b>\$654,703.00</b>	<b>\$660,039.00</b>	<b>\$665,164.00</b>

**Estimated Facility Operating Expenses**

**Years Six to Ten**

<u>Expense Source</u>	<u>Year Six</u>	<u>Year Seven</u>	<u>Year Eight</u>	<u>Year Nine</u>	<u>Year Ten</u>
<b>Contract Management</b>					
Golf Course Management Fee	\$470,795.00	\$470,795.00	\$470,795.00	\$484,919.00	\$484,919.00
<b>Land</b>					
Dowse Land Lease	\$46,371.00	\$47,762.00	\$49,195.00	\$50,671.00	\$52,191.00
Sherborn Property Taxes	<u>1,391.00</u>	<u>1,433.00</u>	<u>1,476.00</u>	<u>1,520.00</u>	<u>1,566.00</u>
<i>Sub-total Land:</i>	\$47,762.00	\$49,195.00	\$50,671.00	\$52,191.00	\$53,757.00
<b>Utilities</b>					
Utilities - Course Irrigation Water	\$34,778.00	\$35,821.00	\$36,896.00	\$38,003.00	\$39,143.00
Utilities - Water for Buildings	696.00	717.00	739.00	761.00	784.00
Utilities - Sewer Charges	348.00	358.00	369.00	380.00	391.00
Utilities - Electric	<u>8,695.00</u>	<u>8,956.00</u>	<u>9,225.00</u>	<u>9,502.00</u>	<u>9,787.00</u>
<i>Sub-total Utilities:</i>	\$44,517.00	\$45,852.00	\$47,229.00	\$48,646.00	\$50,105.00
<b>Town Operational Expenses</b>					
Advertising/Promotion	\$13,506.00	\$13,911.00	\$14,328.00	\$14,758.00	\$15,201.00
Golf Car Rental Expense	22,804.00	23,488.00	24,193.00	24,919.00	25,667.00
Environmental Testing	52,167.00	53,732.00	55,344.00	57,004.00	58,714.00
Clubhouse/Trailer Rental	0.00	0.00	0.00	0.00	0.00
Clubhouse Telephone	1,566.00	1,613.00	1,661.00	1,711.00	1,762.00
Rubbish Removal	1,623.00	1,672.00	1,722.00	1,774.00	1,827.00
Irrigation System Repairs	1,739.00	1,791.00	1,845.00	1,900.00	1,957.00
Miscellaneous	<u>2,898.00</u>	<u>2,985.00</u>	<u>3,075.00</u>	<u>3,167.00</u>	<u>3,262.00</u>
<i>Sub-total Operational Expenses:</i>	\$96,303.00	\$99,192.00	\$102,168.00	\$105,233.00	\$108,390.00
<b>Other Facility Expense</b>					
Course Repairs (Contingency)	5,797.00	5,971.00	6,150.00	6,335.00	6,525.00
Administrative Expense	9,645.00	9,934.00	10,232.00	10,536.00	10,747.00
Depreciation: Fixtures	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>
<i>Sub-total Other Expense:</i>	\$20,442.00	\$20,905.00	\$21,382.00	\$21,871.00	\$22,272.00
<b>Estimated Gross Operating Expense</b>	<b>\$679,819.00</b>	<b>\$685,939.00</b>	<b>\$692,245.00</b>	<b>\$712,860.00</b>	<b>\$719,443.00</b>

**Summary of Facility Operating Expenses**

**Years One to Ten**

<u>Expense Source</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
Contract Management	\$429,050.00	\$443,770.00	\$457,083.00	\$457,083.00	\$457,083.00
Land	41,200.00	42,436.00	43,709.00	45,020.00	46,370.00
Utilities	38,400.00	39,552.00	40,739.00	41,962.00	43,221.00
Town Operational Expenses	93,510.00	95,063.00	89,402.00	91,421.00	93,499.00
Other Facility Expense	<u>22,254.00</u>	<u>22,984.00</u>	<u>23,770.00</u>	<u>24,553.00</u>	<u>24,991.00</u>
<b>Estimated Gross Operating Expense:</b>	<b>\$624,414.00</b>	<b>\$643,805.00</b>	<b>\$654,703.00</b>	<b>\$660,039.00</b>	<b>\$665,164.00</b>
Estimated Gross Operating Expense/Round:	\$20.99	\$20.44	\$19.69	\$18.86	\$18.82

<u>Expense Source</u>	<u>Year Six</u>	<u>Year Seven</u>	<u>Year Eight</u>	<u>Year Nine</u>	<u>Year Ten</u>
Contract Management	\$470,795.00	\$470,795.00	\$470,795.00	\$484,919.00	\$484,919.00
Land	47,762.00	49,195.00	50,671.00	52,191.00	53,757.00
Utilities	44,517.00	45,852.00	47,229.00	48,646.00	50,105.00
Town Operational Expenses	96,303.00	99,192.00	102,168.00	105,233.00	108,390.00
Other Facility Expense	<u>20,442.00</u>	<u>20,905.00</u>	<u>21,382.00</u>	<u>21,871.00</u>	<u>22,272.00</u>
<b>Estimated Gross Operating Expense:</b>	<b>\$679,819.00</b>	<b>\$685,939.00</b>	<b>\$692,245.00</b>	<b>\$712,860.00</b>	<b>\$719,443.00</b>
Estimated Gross Operating Expense/Round:	\$19.04	\$19.03	\$19.02	\$19.40	\$19.58

## Golf Facility Study

### Estimated Facility Operating Surplus (Loss)

### Years One to Ten

<u>Years One—Five</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
Estimated Facility Revenue	\$725,397.00	\$783,444.00	\$846,505.00	\$908,890.00	\$936,332.00
Estimated Facility Expense	<u>624,414.00</u>	<u>643,805.00</u>	<u>654,703.00</u>	<u>660,039.00</u>	<u>665,164.00</u>
<b>Estimated Gross Operating Surplus/(Loss)</b>	<b>\$100,983.00</b>	<b>\$139,639.00</b>	<b>\$191,802.00</b>	<b>\$248,851.00</b>	<b>\$271,168.00</b>
Estimated Gross Operating Surplus/(Loss) Per Round	\$3.39	\$4.43	\$5.77	\$7.11	\$7.67
<u>Years Six—Ten</u>	<u>Year Six</u>	<u>Year Seven</u>	<u>Year Eight</u>	<u>Year Nine</u>	<u>Year Ten</u>
Estimated Facility Revenue	\$964,508.00	\$993,434.00	\$1,023,152.00	\$1,053,642.00	\$1,074,714.00
Estimated Facility Expense	<u>679,819.00</u>	<u>685,939.00</u>	<u>692,245.00</u>	<u>712,860.00</u>	<u>719,443.00</u>
<b>Estimated Gross Operating Surplus/(Loss)</b>	<b>\$284,689.00</b>	<b>\$307,495.00</b>	<b>\$330,907.00</b>	<b>\$340,782.00</b>	<b>\$355,271.00</b>
Estimated Gross Operating Surplus/(Loss) Per Round	\$7.97	\$8.53	\$9.09	\$9.27	\$9.67

## Golf Facility Study

### Estimated Cash Flow Summary

Years One to Ten

<u>Years One—Five</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
Estimated Revenue	\$725,397.00	\$783,444.00	\$846,505.00	\$908,890.00	\$936,332.00
Estimated Expense	<u>624,414.00</u>	<u>643,805.00</u>	<u>654,703.00</u>	<u>660,039.00</u>	<u>665,164.00</u>
Less: Depreciation Expense	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<b>Estimated Net Cash Flow From Facility Operations</b>	<b>\$110,983.00</b>	<b>\$149,639.00</b>	<b>\$201,802.00</b>	<b>\$258,851.00</b>	<b>\$281,168.00</b>
Estimated Net Cumulative Cash Flow From Facility Operations	\$110,983.00	\$260,622.00	\$462,424.00	\$721,275.00	\$1,002,443.00
<u>Years Six—Ten</u>	<u>Year Six</u>	<u>Year Seven</u>	<u>Year Eight</u>	<u>Year Nine</u>	<u>Year Ten</u>
Estimated Revenue	\$964,508.00	\$993,434.00	\$1,023,152.00	\$1,053,642.00	\$1,074,714.00
Estimated Expense	<u>679,819.00</u>	<u>685,939.00</u>	<u>692,245.00</u>	<u>712,860.00</u>	<u>719,443.00</u>
Less: Depreciation Expense	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
<b>Estimated Net Cash Flow From Facility Operations</b>	<b>\$289,689.00</b>	<b>\$312,495.00</b>	<b>\$335,907.00</b>	<b>\$345,782.00</b>	<b>\$360,271.00</b>
Estimated Net Cumulative Cash Flow From Facility Operations	\$1,292,132.00	\$1,604,627.00	\$1,940,534.00	\$2,286,316.00	\$2,646,587.00

## **Summary**

Based on the existing and projected market opportunity within the market area, we estimate that the 9-hole executive length Sassamon Trace public golf facility is likely to accommodate 29,750 rounds of play during its first full year of operation. It is further estimated that a public golf facility at the proposed development site could reach operational stabilization - in terms of the annual rounds of play that it is likely to accommodate in a typical operating year - in the fourth year of operation at approximately 35,000 rounds. These estimates are based on existing and projected market support, the implementation of an aggressive marketing strategy, and the employment of a knowledgeable and experienced public golf facility management team.

It is estimated that the Sassamon Trace golf facility could generate gross operating revenues of approximately \$725,300 in the first full year of operation and approximately \$1,074,700 in the tenth year of operation.

It is estimated that the proposed facility could generate an operating surplus of approximately \$100,900 in its first full year of operation and an annual operating surplus of nearly \$355,200 by the tenth year of operation.

Our estimates indicate that cash flow (surplus revenue plus estimated depreciation) in the first year would be \$110,900 and, by the tenth year, annual cash flow could expand to \$360,200. Cumulative cash flows in the ten years of operation, without allowances for capital debt service, could approach \$2.64 million.

Our review of the probable revenue generating capability and expense structure of the Sassamon Trace golf facility indicates that the course is likely to have a reasonable operating surplus beginning with the initial year of facility operation. These operational surpluses should grow stronger and larger as the golf course matures and reaches its full revenue and rounds potential during its first four years of operation.